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NIE 40 - Terms of Reference.

The following is the rationale, as I conceive it, of NIE 40 and its terms of reference.

ONE's gravest responsibility to national security and therefore its ultimate problem is the estimation and constant re-estimation of Soviet intentions and capabilities in the world--however difficult and complex the intelligence formulation may be and however imperfect at best the results may always be. Towards this problem an essentially macrocosmic approach such as NIE 25 may be made. Time and necessity have made imperative such an approach, utilizing such material and thought as is already available. However, as time permits planning of long-range NIE program, the macrocosmic approach should be reexamined and validated, or modified where indicated by a relatively inductive series of studies, breaking down the world structure into strategically significant geographic and functional components and designed to elucidate the relative importance of these components in USSR global strategic thinking.

In addition to placing estimates of Soviet intentions and capabilities on broader and firmer grounds, such a composite approach could, I believe, permit ONE ~~its~~ estimates to cast a stronger light on specific Soviet vulnerabilities under varying circumstances, and could facilitate more accurate determination of degrees of probabilities of alternative Soviet courses of action. Also, the common formal nature of the component studies, which would permit a comparative examination of the submission, could facilitate the disclosure of inadequacies and gaps in intelligence collection and analysis. In general this approach could exploit optimally the "cross-fertilization" potential of ONE personnel.

(The "coulds" are underlined in the foregoing because the validity of the proposition is not necessarily self-evident. I am in process of preparing a more detailed analysis and a tentative break-down of the component studies in hopes that it might serve as a jumping-off point or framework for the staff discussions suggested by [] at the last staff meeting.)

I conceive NIE 40 as one component or piece of the analytical and estimative jigsaw which when pieced together and correlated with NIE 25 would provide, at least formally, the best estimate of Soviet intentions and capabilities (and vulnerabilities) possible.

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But as we already know there will be considerable difficulty in reaching agreement on the way the jigsaw should be broken down for analytical and estimative purposes and put back together again. The disagreements do or probably will run along the following general lines:

1. Geographical inclusion or exclusion. Air has offered the reasonable argument that the estimate should either be extended to include the Far East as well as Western Europe and the Near East, or should be restricted to (continental) Western Europe alone. Between the two alternatives I believe the latter is greatly preferable. It makes little theoretical difference where the jigsaw is cut, assuming each piece will in due course be examined along with the "contour" inter-relationships of the components. However, it is important in a practical work sense to keep the complexities (great enough in any event) within as manageable limits as possible (without, however, increasing the number of separate studies or components to unmanageable proportions).

2. "Functional" inclusion or exclusion. There may be pressure to restrict the study to economic factors only. I think that, except in very special cases, it is not ONE's job to attempt limited "functional" approaches, which can be more properly accomplished in other intelligence bodies. Rather ONE as a general principle should seek to occupy itself with long-range strategic estimates. In the case of NIE 40 the problem is to inventory the strategic factors of geographic position, manpower, resources and capital goods of Western Europe as viewed by the Soviet, the degree of effectiveness with which the Soviet Union might combine them and integrate them into the Soviet Orbit, and the resulting increment or decrement to the Soviet strategic potential [redacted] under certain forms of internal and external counteraction. OIR may comment on the apparent lack of "political" analysis. Political factors are relevant to this study in two general respects; (1) insofar as they influence the ability of the Soviet to combine effectively the Western European resources with their own (this is covered under Section II-OIR may have some ideas on broadening this Section); (2) insofar, as the consequence of the Soviet acquisition of Western Europe, the attitudes and actions of strategically important areas of the world outside Western Europe are influenced. Consideration might be given to the incorporation of this aspect now absent from the terms of reference.

3. Inclusion or exclusion of consideration of general forms of counteraction (Sections II and III). This is by far the toughest knot to untie, especially in terms of practical institutional relations. As we are all quite aware, no serious consideration of Soviet intentions can exclude their assessment (as best we can estimate it by a reasoned and imaginative projection of ourselves into their position and thinking) of our alternative lines of counteraction which we might undertake and the probable effect of such counter-moves upon the success of their contemplated action. In the same sense "capabilities" are always related to counter-capabilities.

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for sound security reasons are very closely guarded secrets. From this basis he advocates (and others in the IAC may advocate) limiting the study to Section I, and after these results are in to approach Section II and III. A very reasonable argument can be offered on these grounds and if such were the preponderant "sense of the meeting" we could accept this approach with good grace. However, the following objections to this approach exist in my mind:

a. Section I in itself, as an inventory alone, is not consonant with the estimative function of ONE.

b. If a long-range estimates program along the general lines previously noted were accepted and projected, this separative approach might result in an unnecessarily large and possibly unmanageable number of component studies.

c. Finally, the separative approach would not encourage cooperative effort on the working level between the intelligence and operational groups. Except such intelligence thinking into the dynamics of world affairs is encouraged on the working level and incorporated in synthetic studies themselves designed to elucidate these dynamics, the estimative functions of ONE shall be relatively poorly served.

By virtue of the superior tradition and position in which *the* operational function stands relative to the intelligence function the burden of cooperative effort falls on the intelligence groups. *and* It is necessary that the intelligence function, especially in its estimative aspects, "prove" its worth to the operational side of the structure. The absence of knowledge of specific operational plans does not preclude, although it may inhibit, general assessment of Soviet intentions and capabilities and vulnerabilities. By assuming certain ordered forms of counteraction (i.e. economic blockade, atomic bombing, etc.) the general feasibility of which, if not the detailed analysis of which, might be coordinated with the operational people, we can place ourselves in somewhat the same position as the Soviet intelligence man estimating our counteraction. In the same process of elucidation I believe we could serve the operational people in highlighting specific vulnerabilities of the Soviet under the circumstances envisaged in the study. Carefully handled, such a

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process may progressively facilitate the intelligence - operational coordination which I consider of paramount importance to the fulfillment of the responsibilities and possibly the future of ONE.

A number of specific changes in the terms of reference as they now stand might be in order to adapt them to this general analysis. These may be considered after the IAC meeting.



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